



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2910 (1941-A)  
November 11, 1993

SUBJECT: Education and Experience as it Relates to the Special Operating Loan Assistance Program and Other Beginning Farmer or Rancher Loan Processing Issues

TO: State Directors, District Directors and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance to field offices in processing applications for beginning farmers or ranchers.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

The Agricultural Credit Improvement Act of 1992 established new farm loan programs and modified existing loan programs for Beginning Farmers. This AN provides clarification on the education and experience eligibility requirement for Special OL Loan Assistance to beginning farmers/ranchers, and other beginning farmer/rancher loan processing issues.

The words "education" and "experience," as used with respect to the special OL assistance loan program are less restrictive than their meaning with respect to the regular OL loan program. With the special OL program both education and experience are required, and are clarified as follows:

Education - A formal education whereby the applicant has the ability to read, write and maintain a simple record keeping system, will satisfy this requirement.

Experience - The applicant is not required to have the same degree of experience (1 year's complete production and marketing cycle within the last 5 years) as under the regular OL program. An individual that worked as a farm laborer, or was raised on a farm and assisted his/her parents could meet this requirement. The County Committee will make this determination.

EXPIRATION DATE: November 30, 1994

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1941-A



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Secretary of Agriculture, Washington, D.C. 20250

2910(1941)

OTHER BEGINNING FARMER OR RANCHER LOAN PROCESSING ISSUES:

**Borrower Training**

One of the requirements of the Beginning Farmer or Rancher definition is that the applicant agrees to participate in any borrower training required by FmHA.

Beginning farmer or rancher applicants with loans approved prior to implementation (publishing) of the Borrower Training regulations will not be affected by this requirement. The borrower training requirement will apply only to applicants whose loans are approved after implementation of Borrower Training regulations.

**Farm Ownership (FO) Applications on Hand**


The Agricultural Credit Improvement Act of 1992 required FmHA to target funds to beginning farmers and ranchers. Since funds have been allocated into numerous categories, funding shortgages have occurred in targeted areas. Some States are concerned that applicants who had FO loans approved and held for FY 1994 allocations, now meet the beginning farmer or rancher definition, and would like to use the beginning farmer allocation to fund these loans.

Any FO applications that were approved subject to availability of funds, and have not been funded, will be taken back to the County Committee for a beginning farmer or rancher determination. Those individuals that meet the beginning farmer or rancher definition will be funded with FO targeted funds for beginning farmers or ranchers.

The existing Form FmHA 1940-1, "REQUEST FOR OBLIGATION OF FUNDS," can be used; however, the appropriate code should be entered in item 18, "Type of Assistance."

This AN may not be revised and reissued by State Directors without prior approval by the Assistant Administrator, Farmer Programs, unless modification is necessary to comply with State law.

State Office personnel with questions regarding this AN should contact the Farmer Programs Loan Making Division, at (202) 720-1632.

  
SHARRON S. LONGINO  
Acting Administrator

Sent by electronic mail on 11-16 at 9:36 by GSS.